

PressRelease

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FOR IMMEDIATE RELEASE

WUTC approves stable rate plan for PacifiCorp customers

OLYMPIA, Wash. - State regulators approved a five-year rate plan today for PacifiCorp electricity customers that will keep rates relatively stable and preserve new customer service guarantees through the end of 2005.

The Washington Utilities and Transportation Commission approved a plan that spreads rate increases over three years with no further increases for another two years. In addition, the plan continues until Jan. 1, 2006, customer service guarantees and performance measures adopted as a result of the company's recent merger with ScottishPower.

The plan adopted by the commission was negotiated among the company, commission staff, the office of Public Counsel and organizations advocating for industrial and low-income customers. The agreement lays out what will happen to company rates over the next five years.

Under the approved plan, electricity rates for PacifiCorp customers will increase by 4 percent effective Jan. 1, 2001, 2 percent effective Jan. 1, 2002 and 1 percent Jan. 1, 2003. After that date, electricity rates will be frozen until Jan. 1, 2006. These increases, however, will be partially offset by two customer credits that will begin in 2001.

One credit shares with customers some of the savings resulting from the merger of PacifiCorp and ScottishPower. The other credit provides customers with their share of the proceeds from PacifiCorp's recent sale of its interest in a Western Washington power generating plant. These two credits, which start this January, combined with the first-year rate increase, will result in a slight net decrease in customer bills.

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The approved plan cuts the company's original proposed rate increase by about one-half and spreads the increase over a longer period of time. The company had proposed raising average rates by 8.1 percent this year and another 5.7 percent in 2001.

As part of the merger approved last year by the commission, PacifiCorp agreed to offer several customer guarantees, improve customer response time and electricity service reliability. These service performance commitments will stay in place during the five-year rate plan.

PacifiCorp, headquartered in Portland, Ore., provides electricity under the name of Pacific Power to more than 120,000 electric customers in five Southcentral to Southeastern Washington counties: Yakima, Walla Walla, Kittitas, Garfield and Columbia, including the cities of Yakima, Toppenish, Sunnyside, Walla Walla and Dayton.

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